

**CORRECTED MINUTES OF THE  
HIGHER EDUCATION APPROPRIATIONS SUBCOMMITTEE  
WEDNESDAY, FEBRUARY 14, 2001, 4:00 P.M.  
Room 223, State Capitol Building**

Members Present: Sen. Lyle Hillyard, Committee Co-Chair  
Rep. Afton Bradshaw, Committee Co-Chair  
Sen. Paula Julander  
Rep. Patrice M. Arent  
Rep. Katherine M. Bryson  
Rep. Margaret Dayton  
Rep. Patricia W. Jones  
Rep. LaWanna "Lou" Shurtliff  
Rep. Richard M. Siddoway  
Rep. Gordon E. Snow  
Rep. Stephen H. Urquhart

Members Excused: Sen. Peter Knudson  
Sen. Steve Poulton  
Rep. Martin R. Stephens

Staff Present: Boyd A. Garriott, Legislative Fiscal Analyst  
Debra Headden, Legislative Fiscal Analyst  
Rolayne Day, Secretary

Public Speakers Present: Commissioner Cecelia Foxley  
Charlie Johnson, Chair, Board of Regents

Visitor List on File

Committee Co-Chair Hillyard called the meeting to order at 4:22 p.m.

1. Committee Business

**MOTION:** Rep. Siddoway moved to approve minutes of the February 7, 2001, and February 9, 2001, meetings.

The motion passed unanimously with Reps. Dayton and Urquhart absent at the time of voting.

2. Intent Language

**MOTION:** Rep. Bradshaw moved to adopt intent language as follows:

*It is the intent of the Legislature that the State Board of Regents be directed to closely supervise the fuel and power budgets with the intent of promoting greater energy efficiency on each campus. It is also the intent of the Legislature that the Board of Regents report during the interim to the Subcommittee on Higher Education on the implementation of long term plans to control and manage energy costs.*

The motion passed unanimously with Reps. Dayton and Urquhart absent at the time of voting.

**MOTION:** Rep. Bradshaw moved to adopt intent language as follows:

*It is the intent of the Legislature that the Council of Presidents and representatives of the Board of Regents working in conjunction with legislators, the Legislative Fiscal Analyst, and a representative of the Governor's Office review and refine the funding formula for the Utah System of Higher Education. It is the intent of the Legislature that this proposed formula reduce dependence on growth funding, link to measurable systemwide and institutional specific performance indicators, respond to changes in costs of instruction due to the implementation of technology or the utilization of cost saving measures and*

*respond to market demand, student performance as well as recognized differences in institutional roles and mission.*

The motion passed unanimously with Reps. Dayton and Urquhart absent at the time of voting.

**MOTION:** Rep. Bradshaw moved to adopt intent language as follows:

*It is the intent of the Legislature that the continuing education programs at Brigham City and Tooele be shown as separate line items. These line items shall include program instructional costs, administrative and student support, facility operation and maintenance expenses, and building and building lease payments for FY 2002. It is also the intent of the Legislature that the building lease payments and the financing arrangements be reviewed to determine whether the students using these facilities are paying a reasonable amount of the cost.*

The motion passed unanimously with Reps. Dayton and Urquhart absent at the time of voting.

3. Final Appropriations Decisions—Regent Chair Charlie Johnson explained that lag funding means that enrollment growth funding requests from the Board of Regents are for students who are already on campuses. Sen. Hillyard said he has made it clear to the Executive Appropriations chairs that UEN funding is separate from higher education funding. The co-chairs received a letter from the Executive Appropriations Committee telling them that they have the power to change the Higher Education Subcommittee's decisions. A table was distributed showing the UEN budget separate from the higher education budget.

Rep. Dayton asked for a comparison of funding levels for each institution under the previous funding method and the proposed funding formula. Mr. Johnson said the difference is that variables under the previous funding method are now in the formula. He also pointed out that decisions made by the Subcommittee at the previous meeting presumed that compensation and benefits are fully funded; they have had some indication that that assumption may be incorrect.

Sen. Hillyard said if health insurance is not funded and the increase in health insurance costs is 6%, then higher education employees have been given a 1½% salary decrease. He is also concerned that there is not enough money in the formula for new enrollments. Mr. Garriott distributed a handout showing funding distribution by institution using the new formula. He noted that it follows historical distribution percentages under the old system. The chart includes a salary increase of 6% but it doesn't include consortium-type funding (e.g. the Utah Academic Library Consortium).

4. Summer Schedule—Sen. Hillyard said the Executive Appropriations Committee has authorized two subcommittee meetings during the interim to study program and fiscal issues relating to each subcommittee assignment. To prepare for the next legislative session, the co-chairs suggest the following study items:

1. Report on health and dental insurance programs for higher education employees. The report should highlight plans for managing costs.
2. Report on long-term capital facility needs and identify new facility O&M and alternatives for managing costs.
3. Report on the funding needs of the U of U School of Medicine.
4. Report on the funding formula with respect to the following concerns:
  - Is the funding mechanism linked to accountability measures that measure general and institution-specific efficiencies?
  - Does it foster cost efficiencies?
  - Is it responsive to market demand and student performance?
  - Are differences in institutional roles and missions considered?
  - Is it meeting basic student and institutional needs?
5. Report on the wireless technology initiative at SLCC. Does it integrate with UEN and other current outreach programs and services they provide?

Further suggestions for items of study from Committee members include:

1. Rep. Dayton—Expand Item 5 to review all funding for distance education, including wireless education, the relationship of main campuses with their branch campuses, and other institutional networks, to determine how to interface with UEN.
2. Rep. Urquhart—Including in Item 1 the possibility of bringing higher education employees into the larger State pool with public employees.
3. Sen. Hillyard—Funding problems with the School of Medicine at the University of Utah.
4. Rep. Snow—Student concerns about tuition.
5. Rep. Dayton—Funding and expenditures associated with Educationally Disadvantaged monies across the USHE system. The study would include the population of those who fall into this funding category as well as distribution of Educationally Disadvantaged funds to all nine institutions and their branches.
6. Sen. Hillyard—How are institutions recruiting students for the Engineering Initiative.
7. Rep. Bryson—Concurrent enrollment and the effect it has on the USHE.
8. Rep. Jones—What are institutional presidents' goals for the next year.

Sen. Hillyard asked each member of the Subcommittee to visit all nine institutions over the interim.

Rep. Shurtliff is very concerned about the many needs like the School of Medicine that have not been funded. She asked the Subcommittee to be advocates for higher education to make sure there is enough money for these pressing needs. Rep. Julander echoed those concerns and said she has received about 100 e-mail messages from people concerned about the School of Medicine.

Sen. Hillyard suggested that Higher Education Subcommittee members ask to be on the education interim committee. If they are not assigned to that committee, he asked that they watch what is happening and become involved with the issues.

Commissioner Foxley said if health and dental increases and salary equity are not funded, higher education will need an additional \$9 million over the \$14.4 million in building block one. She also said they are not certain that there is enough money set aside to cover all of the compensation costs. Sen. Hillyard said the Fiscal Analyst, John Massey, has assured him there is enough money set aside.

Rep. Bryson said the money for HB 223 needs to be on-going rather than one-time funding. Sen. Hillyard said the plan is for each caucus to prioritize money bills.

**MOTION:** Rep. Bryson moved that the Higher Education Subcommittee should meet again to make further budget decisions when final funding allocations are known.

The motion passed unanimously.

Committee Co-Chair Hillyard adjourned the meeting at 5:00 p.m.

Minutes were reported by Rolayne Day, Secretary.